



City of Seattle

Edward B. Murray, Mayor

Seattle Department of Human Resources

Susan L. Coskey, Director

February 4, 2016

Re: Submit One-Time Deferred Compensation Contribution Form by February 24, 2016

Dear City Employee:

You are receiving this letter because you are in an employee group that is receiving retroactive pay on the March 18, 2016 paycheck as a result of the 2015 and 2016 annual wage adjustments. If you receive retroactive pay (this includes non-active individuals), you may contribute all or part of this retroactive amount into your Deferred Compensation account*.

To make this one-time contribution, please submit the enclosed form by **5:00 pm on Wednesday, February 24** to the Seattle Department of Human Resources. Please use the contact information listed at the bottom of the enclosed form.

If you *do not* want to participate in the one-time contribution,
no action is required.

For some frequently asked questions (FAQs) and contact information, please see the back of this letter. Additional FAQs and an electronic version of the form are posted on the InWeb at <http://personnelweb/benefits/retirement/deferredcomp.aspx> and PAN at <http://www.seattle.gov/personnel/benefits/retirement/deferredcomp.asp>.

Sincerely,

A handwritten signature in black ink, appearing to read "Renee Freiboth".

Renee Freiboth
Benefits Manager

Enclosure

*All City employees have a Deferred Compensation account regardless of whether they currently participate or not. To access your account, go to www.cityofseattledeferredcomp.com and select the "Access your Account" button.



Seattle Department of Human Resources, 700 5th Avenue, Floors 54 & 55

Mailing address: P.O. Box 34028, Seattle, WA 98124-4028

Internet address: <http://www.seattle.gov> Employment website: <http://www.seattle.gov/jobs>

An equal-employment opportunity. Accommodations for people with disabilities provided on request.

Deferred Compensation: One-Time Contribution for Retroactive Wages FAQs

Q. I don't currently contribute to the Deferred Compensation Plan. Can I still do this?

- A. Yes, all City employees may contribute to the City's Deferred Compensation Plan, and have a Deferred Compensation account regardless of whether they currently participate. For account access, visit the City's Deferred Compensation Plan website at www.cityofseattledeferredcomp.com; select the "Access your Account" button.

Q. I want to contribute some or all of my retroactive pay. How do I do this?

- A. Complete the attached form and turn it into the Seattle Department of Human Resources **no later than Wednesday, February 24, 2016 by 5:00 PM** via mail, inter-department mail, fax, or email as indicated on the form (email is preferred).

Q. What will happen to my biweekly Deferred Compensation deduction after my retroactive pay is paid?

- A. Your bi-weekly deduction will still occur on the March 18 paycheck; the one-time retroactive pay contribution is **in addition to** this amount. After the retroactive pay is paid on March 18, 2016, your prior standard biweekly contribution to the City's Deferred Compensation Plan will continue.

Q. The form requires a dollar amount. Can I simply put a percentage or state "all"?

- A. No, the extra contribution under this retroactive pay option **must be** expressed in a dollar amount. It is the only allowable choice under the Deferred Compensation Plan.

Q. How do I find out how much my retroactive pay is?

- A. For most employees, your estimated retroactive pay will be about 2% of your 2015 gross income -- from your 2015 W-2 -- minus the SCERS retirement deduction of 10.03% (if applicable), FICA tax of 7.65%, and Federal Tax of 25%. (Your 2015 gross income could be overstated if you have imputed income for 2015.) Your department's Payroll representative can provide further guidance on your retroactive pay amount.

Q. Will the dollar amount on the retroactive pay election form supersede my current biweekly deduction to the City's Deferred Compensation Plan?

- A. No, the dollar amount listed on the form is **in addition to** your standard biweekly contribution. Also, if you select an amount in excess of your retroactive pay, the amount selected, **in addition to**, your standard contribution will be deducted.

Q. How much can I contribute to the City's Deferred Compensation Plan in 2016?

- A. The maximum amount employees are eligible to contribute to the Plan for 2016 is \$18,000. If you will be at least 50 years of age by the end of the calendar year, you may contribute an **additional** \$6,000 under the Age 50+ Catch-up option for a total of \$24,000. All contributions made during the year, which includes this one-time contribution, will count toward the 2016 IRS limit.

Q. I contacted Prudential, but they don't know anything about this option. Why?

- A. Prudential Retirement does not handle the City's one-time retroactive pay contribution option, and they will not be able to answer questions about it. Please send any questions to deferredcompquestions@seattle.gov